

New Direction requires a marketing unit to coordinate and monitor merchandise programs as they are developed

Having a quality product line and practicing aggressive selling aren't enough to ensure K mart's success as an up-scale discounter

Some 20 odd years ago, the first K mart store was introduced and its major goal was to offer competitive prices on primarily basic merchandise without spending much fanfare over creating a stylized store decor or offering name brand items. The objective then was to offer what the customer wanted, which was moderately priced merchandise, and historically K mart has been one of the most successful in carrying out this concept.

The K mart customer of the 80's, however, has done a complete turnabout face and now looks for an attractive store

design plus name brand merchandise plus more personal service. It was either a matter of K mart clinging to the tradition of maintaining their original merchandising philosophy or acclimating to today's customer demand climate as other retailers have done.

Three years ago K mart moved to acclimate to the new retailing environment by incorporating new corporate operating procedures and store merchandising systems, which has brought about such successful and much needed programs as KIN, the centralization of merchandising men's and boys' wear under K mart Apparel and the new order processing system and store level inventory management program, Point of Sale.

But because any plan initiated must stay on a consistent and profitable course and fit in with the overall scheme of what most discounters term as "upscaling their image," a marketing unit is needed to ensure a successful end result. Back in March of 1982, a marketing department evolved under the direction of Ron DeJaeghere, vice president of marketing. Ed Kreitz, director of marketing both of whom have had years of experience in K mart

"The marketing department's primary function is to identify the customer for which a certain strategy is planned. Since its inception, they have played a major role in coordinating the refurbishments of targeted stores."

advertising and sales promotion, and Duane Finch, director of store planning and design, whose experience in the field and with the store planning department at KIH has qualified him for overseeing the design and re-design of selected departments and stores in general.

Marketing's major emphasis this year is on what the company has termed the New Direction for K mart stores. This project will include the development of new departments, new fixturing, decor and signage and an updated layout. During the summer months of this year, K mart 9003 in Coldwater, Michigan underwent a complete interior facelift, which marked the course for future group 9 stores. Why group 9's? "These stores are located in small

towns and are now up against stiff competition from other retailers and it is essential we address these stores with a carefully laid out marketing strategy," says Kreitz. This is also a major attempt of the company to more seriously compete with other store chains not only in price, but in merchandise assortment, store design and service. Seventeen group 9 stores will be completed this year, which will have undergone refurbishing, including decor, fixtures and layout, following the prototype in Coldwater.

Also included in the New Direction program are departments such as hosiery of which 651 have been completed, the fashion display area, Kitchen Korners, a new department created by combining kitchenwares and housewares and of which 537 of these are completed. This department was just launched last April and all full size K marts will have this area installed by the end of 1984. Also, there are 715 new electronic centers completed, which constitute a major category and where you can find most home computers for under \$500. The home centers for the do-it-yourselfers trend will be expanded from 41 completed in 1983 to approxi-



The new electronic center, a major category for K mart and where 715 units have been completed.